

In the Claims:

Please cancel claims 1-34.

Please enter the following claims:

- 36  
35. A process for preparing an aqueous polymer dispersion comprising:  
a) forming a polymer from at least one olefinically unsaturated monomer in an aqueous medium wherein at least one monomer has a cationic functionality; and  
b) adding additional monomers and polymerizing the resulting mixture, wherein the process is effectively controlled to produce polymer particles having a heterogeneous morphology, and wherein said aqueous polymer dispersion has a Tg of greater than 50°C.
- 36  
36. The process of claim 35 wherein the polymer having cationic functionality (a) is formed in situ in the presence of a seed.
- 36  
37. The process of claim 35 wherein said heterogeneous morphology is a core-shell morphology
- 38  
38. The process of claim 37 wherein said core-shell morphology consists of a hydrophobic outer phase and a hydrophilic inner phase.
- 36  
39. The process of claim 35 wherein polymer particles formed are substantially monodisperse.
- 36  
40. The process of claim 35 wherein said particles have an average diameter of from 30 to 1000 nm.
- 39  
41. The process of claim 38, wherein said inner phase (core) has a Tg below 50 °C and said outer phase (shell) has a Tg of above 50°C.
- 36  
42. The process of claim 35 wherein said cation functionality comprises a quaternary ammonium group.
- 36  
43. The process of claim 35 wherein said monomers comprise at least one protonated reactive group which is capable of being deprotonated with an increase in the pH-value.
- 36  
44. The process of claim 35 where said additional monomers (b) comprise at least one anionic functional monomer.
- 36  
45. An aqueous dispersion produced by the process of claim 35.